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STATE OF DELAWARE
DEPARTMENT OF STATE
DIVISION OF PROFESSIONAL REGULATION

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PUBLIC MEETING MINUTES:	DELAWARE GAMING CONTROL BOARD
MEETING DATE AND TIME:	Tuesday, November 24, 2009 at 10:00 a.m.
PLACE:	861 Silver Lake Boulevard, Dover, Delaware Conference Room B, second floor of the Cannon Building
MINUTES APPROVED:	January 7, 2010

MEMBERS PRESENT

Deborah Messina, Chair, Public Member
James Greene, Vice-Chairman, DE Volunteer Fireman's Association Member
Brad Barrie, Public Member
Sharon McDowell, Public Member

DIVISION STAFF/DEPUTY ATTORNEY GENERAL PRESENT

Renee' Holt, Administrative Specialist II
Robert Willard, Deputy Attorney General

MEMBERS ABSENT

Scott Angelucci, Public Member

ALSO PRESENT

Jay Gonzalez – The Poker Club LLC
Chip Thompson – Charitable Games of Delaware
Aaron Hemphill – Charitable Games of Delaware
Clinton Bunting – Charitable Games of Delaware
Brian Talley

CALL TO ORDER

Ms. Messina called the meeting to order at 10:02 a.m.

REVIEW OF MINUTES

There were no minutes to be reviewed.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

Statute/Rules and Regulations Review and Revision

Bingo –

Debbie Messina reviewed the Rules and Regulations and Statute for Bingo. Mr. Willard reviewed with the Board the current published and proposed changes.

Ms. Messina – Bingo Rules and Regs – 4.14 - Ms. Messina clarified for the public the purpose of the meeting. Ms. Messina stated there were concerns from Bingo groups that this rule does not apply because they (the organizations) don't play bingo this way anymore. Should we just remove it?

Mr. Willard – You could add all the shapes to the rule, or cancel it out all together, or add a rule that says any other shape.

Ms. Messina – Do you feel that we still need the rule 4.14?

Mr. Greene – I think you should just get rid of it all together.

Mr. Barrie – leave as it is and add a line that says any other shape the organization chooses.

Mr. Willard – So you want me to add a rule that says any other shape the organization chooses as 4.14.9 The board affirmed the suggested change.

Ms. Messina – I didn't have anything else that was bingo right off the top of my head so if the board would take these bingo rules and start at 2.0 and scan them for any additional changes.

Mr. Willard – everybody still wants to have a bona fide member in charge?

Ms. Messina – when an organization is playing cookie jar bingo – the question some of the bingo players posed – there are a few groups that are not instantly adding money in the second pot and it is not setting off the rule that the first pot did not go off. (referring to rule 1.0 Definitions, "Cookie Jar Bingo")

Mr. Willard – I guess they could do it that way – the first pot needs to be gotten rid of immediately, and then the second pot is there and the third is starting.

Ms. Messina – They feel like they are being cheated and feel that somebody should have had a chance to win that first \$500 pot. We don't have it written anywhere that you have to do it that way or don't have to do anything.

Mr. Willard – Okay, so say for example, there is one jar that is \$500.00 and they collected an additional \$49.00. That \$49.00 would have to go in a second cookie jar. Am I understanding you right?

Ms. Messina - The way I understood it, whatever monies they collected that night do not get added into a cookie jar until that bingo is over.

Mr. Greene – that \$49 jar isn't given away before the \$500.

Mr. Willard – The rule doesn't say they have to wait until it reaches its \$500 limit.

Ms. Messina – I don't play bingo so I don't know.

Mr. Willard reviewed the current rule.

Mr. Willard - Do you want to require it be \$500 or leave it the way it's written.

Mr. Barrie – you'll accumulate a lot of money - don't restrict it.

Mr. Willard – do you want to say, if you are in a situation where the second jar is about to go over, you have to play off for the first jar.....so you guys just decide how you want it to be.

Mr. Barrie – It will be too confusing to do the math that day.

Mr. Willard – if the number comes up early in the evening and you've given away the first jar they can leave the second jar at \$491 or add to it and to make the second jar \$500 and start a third jar. Mr. Willard will draft language to state the Boards intent.

Ms. Messina indicated there was a typing error in Rule 3.6 (Bingo) "...of more t an..." needs "h" to make the word read "than".

The board reviewed the rules and regulations regarding Bingo to determine if there were other changes.

Ms. Holt confirmed the official rules are posted with the error. The authenticated PDF version was unavailable at the printing. Mr. Willard will call Jeff Hague and ask to fix the error.

Raffles

Ms. Messina reviewed rule 3.2 Obligations of the Organization – and identified the question – “Personally I don’t know any group that does this legally”. Here’s a prime example – Elk’s club national organization sends tickets to our homes and we can sell or buy them ourselves. According to this, that’s illegal. We need to clarify this.

Mr. Willard – some people like a rule like that.

Ms. Messina – keep it clarified that tickets cannot be bought from immediate family member – and add a line that says name address phone and seller must be shown on the ticket.

Mr. Willard – 4.2 says a record has to be kept with at least name, address, telephone.

Mr. Greene – then you are adding additional cost to the non profit by increasing cost to print the ticket.

Mr. Willard – if the seller isn’t winning a prize for selling the winning ticket, then why do you care if the winning ticket is sold by a family member?

Ms. Messina – to make the public feel confident that it is a legal game that is being played.

Mr. Willard – so everyone is agreed that you want to make it so members can buy tickets but not from family members.

The Board agreed.

Mr. Willard – I know there are issues coming up with raffles that last all year. So you want me to make a rule that says there is one?

Mr. Barrie – is it going to be the same fee as all the other raffles?

Mr. Willard explained the situation with Nur Temple yearly raffle. You can win more than once. The win is always the same.

Mr. Barrie – am questioning the fee.

Mr. Willard – one license fee to do a raffle that extends over a period of time with a winner.

Mr. Barrie – call it a different raffle and maybe set a higher fee.

Ms. Messina – I agree it should be specified it should be called a different kind of raffle. If we want to be specific and say any raffle.

Mr. Willard – I can add a sentence in the definition to “raffle” to include ...with an extended period of time....

Ms. Messina moved to Rule 103 – this is where it gets confusing in the statute where rules and regulations applies to bingo and charitable gambling.

Mr. Willard – The statute states you can charge a fee, give them a card and serve refreshments. Mr. Willard clarified the numbers changed from 403 to 103.

Ms. Messina asked Mr. Greene where he wanted to start.

Ms. Messina reviewed the definitions and stated the changes were already made to coincide with statute. The Board reviewed section 103.

Ms. Messina – were we good with 3.1.5 with the officer responsible for gross receipts? Have we made everything clear there? I think we made a change and this reflects it?

Mr. Willard – I know we’ve talked before about having a third party vendor handle all the money.

Mr. Greene – should we have something added that no other person can handle the money?

Mr. Willard – does the board want to add a sentence that no third party vendor can handle the money?

Ms. Messina – do we have any public comment?

Public – How does that work ? When no limit was allowed, it says that the third party vendor can handle the money (primarily the chips) The third party vendor reviews at the end of the night with organization.

Mr. Greene – that’s you but everybody doesn’t do it that way.

Mr. Willard – there are some people here that feel that’s not alright. Again we can make a rule that says they do exactly what they said, or do you want it that they buy from the member?

We’ve had instances where the members don’t have the experience with the chips and the money.

Mr. Greene – the bona fide member of the organization should handle the green stuff – that includes the re-buys and any money itself.

Ms. Messina – I agree with what Mr. Greene said.

Just as smooth as it runs – when you walk into

Ms. Messina – if you are a third party vendor and hold an event, you are just supplying the chips and tables and building. What about the member in charge for the organization? What do they do?

Mr. Bunting – they set up a booth, talk to customers and try to increase their memberships.

Mr. Greene – the primary purpose is to be on the floor.

Ms. Messina – I disagree with that. I don't think that was the purpose for allowing third party vendors to run the events for the groups.

Mr. Bunting, Mr. Hemphill, and Mr. Thompson explained how the events have taken place in the past including the involvement of the non profit organizations.

Ms. Messina – but they are not hands on?

Mr. Bunting – what is the difference with having an accountant or a lawyer handling the money as opposed to us handling the money?

Mr. Greene – it was my intent to make it easier for the non profit organizations to have help, but not taking the non profit organization's people away from the event. My only intent was to have the third party vendors have – third party vendors are just a gambling hall.

Mr. Willard – we said ok you can do it.

Mr. Bunting – when the third party vendors went to the separate locations were they allowed to do the money?

Mr. Greene – nope.

Mr. Willard – read the rule – it doesn't mean they have to collect the money, it means they are in charge of the money.

Mr. Greene – that's exactly what I want.

Mr. Greene – we took the words of the third party vendors

Mr. Willard – are you saying the organizations don't have the volunteers and need to hire people to help them?

Mr. Greene – Look, he/or she (the member in charge) is going to be there anyway – what are they going to do besides socialize?

Ms. Messina – even though we say a member has to be there we have found most groups sending member to event and they don't know what is going on. The member must be on site. I agree with Mr. Greene. We have to have the rules clearly stated.

Mr. Greene – I think we loosened this up too loose too quick too fast and we need to tighten it up.

Mr. Willard – so you want the member there handling the money?

Mr. Bunting - is the third party vendor allowed to serve doing bookkeeping or as an accountant?

Mr. Greene- it's the non profit's responsibility.

Mr. Thompson – when you put the function on, you aren't managing the money?

Mr. Greene – you are managing the game make sure it's played fairly

Ms. McDowell – but you are not handling the money

Mr. Greene – The non profit organizations got the permit and the third party vendor became the Tournament Director...

Mr. Bunting – 6 hours is quite some time – some organizations have more than one member - they will switch off –

Ms. Messina – their names better be on that license –

Mr. Willard – they need to tell you who the member in charge is.

Mr. Bunting – can they add more people to those spots – on the initial application

Ms. Messina – My answer is no – they should be able to go to that function

Mr. Greene – I understand some of your concerns - we didn't worry about people relieving us.

Mr. Bunting – it's all I'm asking

Mr. Greene – they're real serious complaints. Now it's getting out of hand and there are serious complaints.

Mr. Willard – on the after occasion reports – it states the cost of the facility.

Mr. Thompson – our facility rents for \$500 – at the end of the night, the hope is more than \$1000 comes in. We set up that if \$600 came in, we didn't feel right charging the full \$500.00.

Mr. Hemphill – we are talking about charitable gambling

Mr. Willard – if they make a rule that a member can be the only one touches the money – how big a problem will that be?

Mr. Hemphill – For example, Cat's Around Town – I know for a fact they won't feel comfortable handling the money – the smaller non profits, some of these are elderly people.

Mr. Thompson – I believe you. We're saying have them stand next to you while handing out the chips.

Ms. Messina – I understand what you're saying – that's not a big concern for me

Mr. Bunting – that's the beauty of what you've done – the little non profits that didn't have the members or locations – it's such a huge benefit – the little baby non profits I really care about them a lot and if we can do anything here, that we help ensure they get any amount of money.

Ms. Messina – I'm sorry there's a group that has two little old ladies – when everyone has to play by the same rules and the board has seen in their complaints and requests

Ms. McDowell – They don't know.

Mr. Thompson – It makes sense what Mr. Greene is saying

Mr. Greene – if all these organizations had been doing this the way we've intended it we wouldn't be sitting here. When we made these changes I didn't explain anything like we are doing it right now.

Ms. McDowell – while you are trying to help there are people are trying to take advantage of them.

Mr. Willard – there used to be an extremely limited number of third party vendors – and some of them are more concerned about making money and not the charity

Mr. Bunting – our concern is we have a great thing for a large number of small charities and because of a couple bad apples it is going to hurt many people and keep something good from going on.

Mr. Greene – when you are sitting and hear a third party vendor complain about another third party vendor, we tell them to go file a complaint and nobody signs a complaint to the effect.

Mr. Willard – then they say they all know the investigators and they stop doing what they are doing and when they leave they go back to doing what they were doing. So are we saying change 3.1.5 to say the nonprofit has to handle the money and the third party can assist?

Mr. Greene – No just the way I said it. Only the nonprofit can handle the money.

Mr. Willard – Now - know that we are being told it isn't being done like that and there will be a lot of people who know.

Mr. Willard – 3.1.6 is already in register to be changed.

Ms. Messina – You are not allowed to tip the dealer.

Mr. Bunting – We are allowed to pay the dealer but the dealer can't receive tips?

Mr. Greene – You don't pay the dealers for dealing.

Mr. Thompson – Rent for the facility is reasonable compensation?

Mr. Willard – can the third party vendor supply the dealer?

Mr. Greene – anyone can be a dealer.

Mr. Willard – the non profit can't pay them at all.

Mr. Greene – I have one question. – some place in here – it says in here on the front page of supplementary proposal C. I went to a county fire company meeting and asked exactly how this is to be interpreted. He's telling me third party vendors are allowing people to *{indiscernible}* \$150.

Mr. Willard – clarified the new rule covers the question. We had a lot of third party vendors...

Mr. Greene – this guy was in the nonprofit that this was happening to...he was kind enough to bring it to my attention.

Mr. Willard – I don't understand that.....they never had a right to say as soon as you lose you can have some more.

Ms. Messina – that is why we are requiring a member of the organization is in the know.

Mr. Greene – and it's the 1 – 2% of the bad apples

Mr. Willard – we are going to make it harder on you guys (*addressing the third party vendors*)

Mr. Greene – I'm telling you that if we find more things we will do this again.

Ms. Messina reviewed the rest of the rules – called for additional changes from the Board. In 11.0 maybe Renee can answer this (*referring to form BCC-3*)

Mr. Greene asked if all the after occasion reports went to 30 days.

Ms. Holt confirmed the after occasion reports are required 30 days after the event and also that form BCC-3 does not exist.

Mr. Greene – under 13.0, legislation was added that third party vendors can be fined.

Ms. Messina - Are we good on charitable gaming other than raffles –

Mr. Bunting – we have some suggestions that may help. Can we tell you now?

Ms. Messina – yes do them while we are here

Mr. Bunting distributed a memo with two suggestions to help the Board and State of Delaware. One suggestion was to license all third party vendors. The second suggestion – contingent upon having the funding to have investigators – send different investigators under cover to come in and ensure things are happening correctly. He stated they felt a license fee could be applied to third party vendors that could be applied to hiring investigators.

Mr. Greene – I am thinking where is this expense is going to be passed on to the non profits.

Mr. Hemphill – we thought about this and it has grown. We feel like they should be licensed and permitted just like the non profits. Since no limit was allowed...

Mr. Bunting - we are concerned that the alternative impact to the non profit is harsher than preempting with investigators

Mr. Willard – it used to be that only the organization could be fined

Ms. McDowell – if they had a background check you'd know what kind of person you are dealing with and you shouldn't be on if you had a bad background.

Ms. Messina – we will take it under advisement. Let's move on to 104 Rules regarding Texas Hold'em

Mr. Willard – I'm sorry but jumping back to this – one of the third party vendors commented on limit – you don't want to change it...

Mr. Greene – I want to say something that really bothers me. The only people show up is third party vendors and no one shows up from the non profits.

Mr. Willard – we've talked about it before – there seems to be no non profits that show up to tell us what they want.

Mr. Greene – there's not anybody here voicing their opinion. It's all third party vendors.

Mr. Thompson – we do everything to the letter of the law I think you don't hear many voicing of concern because how happy they are.

Mr. Greene – then we feel the same way because...

Mr. Bunting - I sit on both sides of this, I sit on boards of non profits. What you hear me expressing is both. When we started this, it's not a huge money maker. But, \$10,000 a month to non profits. That's \$120,000 a year to 27 organizations. We loved it and see where you stood.

Ms. Messina – we've got one more to get through – Texas Hold'em.

Ms. Messina – on our changes last year SB 30 and 31 – that's where we put only 5 – there's an auxiliary group – if they do not have a separate IRS license – the concern arises that is ONE of the 5 events per year. If the auxiliary group does not we increased it from 4 -5 per year and 70 days. The only thing that we don't have is it clarified in rules and regulations.

Ms. Messina confirmed it is in the proposed regulations and stated - And again the people who sent in something were the third party vendors.

Mr. Greene – one particular third party vendor wanted that so bad, I didn't have a problem with it and still don't.

Mr. Willard – allow sit and go events under the Charitable Gambling regulations and statutes?

Mr. Greene – we'll take it under advisement

Ms. Messina – the State of Delaware will not be in agreement and neither will Mr. Collins – when that fee was set it included recovering

Mr. Talley – as far as the sit and go's they are pointless – no one actually uses them. As it would not be feasible in a Charitable Gambling event - so that way the organization is making money, but in all the tournaments...

Ms. Messina – a couple years ago when this was brought up – if you're having a tournament a sit and go would help someone who lost out early to recoup some of their money.

Mr. Greene – I'm telling you there are so many complaints coming in verbally that we have to slow down and try to get it back under control.

Ms. Messina – keep in mind, as frustrating as it is for third party vendors that are doing everything right and hear that other third party vendors are not, we are held to follow the process. I would like for all third party vendors to express to their players if they play somewhere else and feel something is wrong go and file a complaint. Until the formal steps are made, the Board's hands are tied.

Ms. Messina – having said that Mr. Willard has already gone through public proposals. What is the Board's proposal? Would the Board like to have Mr. Willard go and get this to them for the December meeting?

Mr. Willard – hopefully it will be done for the December meeting. I appreciate people like you coming in and expressing your concerns. (*addressing the third party vendors*)

The Board agreed Mr. Willard would make the suggested changes and prepare the language for the Board to review at the December meeting.

Other Business (for discussion only) – None

Public Comment –

The Board heard Public Comment during discussions.

Next Meeting Date

The Board will hold a regular board meeting on December 3, 2009 at 1:00 p.m. in Conference Room B of the Cannon Bldg, 861 Silver Lake Blvd, Dover, Delaware, 19904.

Adjournment

There being no other business to discuss, Mr. Greene made a motion, seconded by Ms. McDowell to adjourn the workshop. The motion was unanimously carried. The meeting adjourned at 11:52 a.m..

Respectfully submitted,



Renee' M. Holt
Administrative Specialist II